AGENDA

BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER HOLLY MITCHELL, CHAIR

WEDNESDAY, MAY 11, 2011
STATE CAPITOL, ROOM 444
1:30PM

ITEM	DESCRIPTION
4300	DEPARTMENT OF DEVELOPMENTAL SERVICES
	2011-12 PRELIMINARY PROPOSALS TO ACHIEVE $174 MILLION GENERAL FUND SAVINGS

DISCUSSION ITEM

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 1: 2011-12 PRELIMINARY PROPOSALS TO ACHIEVE $174 MILLION GENERAL FUND SAVINGS

Background. As a result of the State's on-going fiscal crisis, the Department of Developmental Services (DSS) has experienced continuous budget reductions, in addition to frozen provider service rates since 2008. In the 2009-10 fiscal year a total General Fund (GF) reduction of $334 million ($302 million in forgone federal funds) and a 3 percent reduction for purchase of service payments and regional center operations was adopted. In the 2010-11 fiscal year, a $200 million General Fund reduction and a 4.25 percent reduction to purchase of service payments and regional center operations was adopted.

January 10th Governor's Budget. The Governor's 2011-12 Budget included a $750 million General Fund reduction to the Department of Developmental Services –this is a $1.2 billion reduction total funds. This reduction was made in addition to statewide budget reductions, including state workforce reductions, hiring freezes, furloughs, and wage reductions. The Governor's implementation proposal included: $125 million in alternative federal/special funds; the extension of the 4.25 percent reduction to purchase of service reimbursements and operations; savings from increased accountability and transparency measures at Regional Centers; and the implementation of Purchase of Service Statewide Standards –to be developed through eight workgroups that would achieve a $424 million General Fund savings. Trailer bill language was proposed by the administration.

The Legislatures Proposal in Senate Bill 69. The Legislature adopted a $576.9 million General Fund reduction included in Senate Bill 69. This effectively backfills $173.1 million of the Governor's proposed reduction in January.

The Legislatures proposal includes the following components:

List of Proposals to Reduce	Governor's General Fund Reduction	Legislature's General Fund Reduction
1. Alternative Funds & Fund Shifts		
• Federal Certification of Porterville DC	-$10 million	-$13 million
• Federal funds through 1915 (i) State Plan	-$60 million	-$60 million
• Proposition 10 Funds for Early Start	-$50 million	-$50 million
• Federal Grant "Money Follows Person"	-$5 million	-$10 million
• Adjustment for Large Residential Facilities—federal funds	--	-$1.7 million
• Use of Home and Community-Based Waiver—RC Operations	--	-$3 million
Subtotal of Alternative Funds & Fund Shifts:	**-$125.0 million**	**-$137.7 million**
2. Expenditures Reductions and Cost Containment		
• Reduce Prevention Program	--	-$8.0 million
• Reduce Developmental Centers—various actions	--	-$39.5 million
• Reduce Agnews Community Placement Staff—facility closed	--	-$1.5 million
• 4.25 Percent Regional Center Operations & Provider Reduction	-$91.5 million	-$91.5 million
• Trailer Bill Package on Accountability and Transparency	-$109.7 million	-$109.7 million
• Conforming Action to Medi-Cal (related to hard caps and copayments)	Augments $33 m In base	-$15 million
• Unspecified Cost Containment and Statewide Purchase of Services Standards	-$423.8 million	-$174 million
TOTAL GENERAL FUND & OTHER FUNDS REDUCTION	**-$750 million**	**-$576.9 million**

To implement these proposals, the Legislature modified Trailer Bill Language proposed by the Administration, which was adopted in Senate Bill 74. The bill includes:

- The process and parameters for Purchase of Services Best Practices. Language outlines the process and parameters for the Department of Developmental Services (DDS) to develop purchase of service best practices, including the use of eight subject workgroups. Language specified that best practice proposal shall not endanger the health and safety of consumers or compromise the State's ability to meet its commitment for federal funding. Proposal must be submitted in a report by no later than May 15, 2011 for Legislative approval.

- Increases Regional Center accountability and transparency.
    - Requires Regional Center Boards to adopt written policies to review and approve any contracts of $250,000 or more, before entering into the contract.
    - Adopts the federal requirement which declares certain individuals or entities ineligible to be Regional Center vendors.
    - Requires Regional Centers must maintain and post specified information on their Internet Web site.
    - Requires the Department of Social Services and Department of Public Health to notify the DDS of any administrative action initiated against a licensee serving consumers with developmental disabilities.
    - Restricts for the 2011-12 fiscal year and subsequent years, Regional Center audits to be conducted by the same accounting firm more than five times in every 10 year period. Additionally, it specifies that an entity receiving payments in more than or equal to $250,000 but less than $500,000 from one or more Regional Centers shall contract with an independent accounting firm for an audit or review of its financial statements. When the amount exceeds $500,000 the entity shall obtain an independent audit.
    - Provides the Department of Developmental Services and Regional Centers the authority to institute legal proceedings against a Third Party payer, as a result of an injury in which the Third Party payer is liable. Recovery of reasonable value for services provided is similar to Third Party payer language contained within the Medi-Cal Program administered by Department of Health Care Services.
    - Requires the department to adopt emergency and other regulations to establish standard conflict-of-interest reporting requirements regarding Regional Center board members, directors, and identified employees.
    - Requires all Regional Center contracts or agreements with service providers in which rates are determined through negotiations between the Regional Center and the Service Provider, to expressly require that not more than 15 percent of Regional Center funds be spend on administrative cost. It also specifies that direct service expenditures are those costs immediately associated with the services to consumers being

offered by the provider. Similarly, it requires that all contracts between the Department and Regional Centers spend no more than 15 percent of all funds appropriated through the Regional Center's operations budget on administrative costs.

- Regional Center Operations and Provider Payment Reductions. Makes the appropriate date changes to extend the 4.25 percent reduction to Regional Center Operations and Purchase of Service Payments, applicable until June 30, 2012.

Process Overview. To develop the proposals, the Department of Developmental Services worked with a statewide survey initially. In addition over 9,000 letter and emails were received before commencing work with the eight subject area workgroups –Behavioral Services; Day Program, Supported Employment, and Work Activity Program Services; Early Start Services; Health Care and Therapeutic Services; Independent Living and Supported Living Services; Residential Services; Respite and Other Family Supports; and Transportation Services. Sixteen workgroup meetings were held throughout March and April 2011, totaling over 70 hours of discussion with stakeholders.

Since the end of the workgroups, the Department has held three public forums –Los Angeles, Oakland and Sacramento –to receive feedback on their draft of 13 proposals – to achieve a $79.1 million General Fund savings, through purchase of service best practices.

Preliminary Proposal. The Legislatures proposal left a $174 million in General Fund reduction to be achieved through Purchase of Service best practices. In developing the proposals, the department considered: eligibility, duration, frequency, efficacy, community integration, service provider qualifications and performance, rates, parental and consumer responsibilities, and self-directed options.

The Departments preliminary proposal identifies $55.6 million GF available in FY 2011-12 from expenditure savings, $30 million of one-time savings in the current year from delays of the various proposals, and $39.3 million associated with contract savings administered by the Department. After accounting for these proposed reductions, $79.1 million remains to be achieved through other proposals.

With the input from the community and guidance from the workgroups, the Department developed 13 best practice proposals to achieve the $79.1 million GF reduction. These proposals are summarized in the table below.

	2011-12		Annual	
	TF	GF	TF	GF
Reduced Expenditure Savings that Allow Reduction in Savings Required through Proposals	**$ 55,603,000**	**$ 55,603,000**	**$ 55,603,000**	**$ 55,603,000**
1. Increasing Federal Funding for Regional Center Purchased Consumer Services	**$ -**	**$ 20,932,000**	**$ -**	**$ 22,515,000**
• Add Voucher - Nursing Services to the HCBS Waiver	$ -	$ 528,000	$ -	$ 528,000
• Money Follows the Person for Residents of Institutional Settings	$ -	$ 1,881,000	$ -	$ 3,464,000
• Enhanced Funding from 1915(k) Medicaid State Plan	$ -	$ 1,200,000	$ -	$ 1,200,000
• Obtain Federal Funding for Infant Development Program	$ -	$ 13,223,000	$ -	$ 13,223,000
• 1915(i) New Expenditures	$ -	$ 4,100,000	$ -	$ 4,100,000
2. Decreasing Department of Developmental Services Headquarters Contracts	**$ 2,015,000**	**$ 1,754,000**	**$ 2,015,000**	**$ 1,754,000**
• Information Technology	$ 545,000	$ 545,000	$ 545,000	$ 545,000
• Clients' Rights Advocacy	$ 250,000	$ 200,000	$ 250,000	$ 200,000
• Quality Assessment	$ 530,000	$ 424,000	$ 530,000	$ 424,000
• Direct Support Professional Training	$ 140,000	$ 85,000	$ 140,000	$ 85,000
• Office of Administrative Hearings	$ 250,000	$ 200,000	$ 250,000	$ 200,000
• Risk Management	$ 100,000	$ 100,000	$ 100,000	$ 100,000
• Self Directed Services Training	$ 200,000	$ 200,000	$ 200,000	$ 200,000
3. Reduction and Efficiency in Regional Center Operations Funding	**$ 14,565,000**	**$ 14,132,000**	**$ 15,881,000**	**$ 15,015,000**
• Self Directed Services Waiver Reduced Staffing	$ 861,000	$ 861,000	$ 861,000	$ 861,000
• Community Placement Plan Reduced Staffing	$ 315,000	$ 315,000	$ 315,000	$ 315,000
• Roll Back of Prior Year Staffing Increase	$ 1,902,000	$ 1,902,000	$ 1,902,000	$ 1,902,000
• Reduced Accelerated Waiver Enrollment Funding	$ 1,771,000	$ 1,771,000	$ 1,771,000	$ 1,771,000
• Administrative Efficiency - Electronic Billing Process to All Providers	$ 1,316,000	$ 883,000	$ 2,632,000	$ 1,766,000
• Eliminate One-Time Costs for Office Relocations and Modifications	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000
• Unallocated Reduction	$ 5,400,000	$ 5,400,000	$ 5,400,000	$ 5,400,000
Proposals Associated with Purchase of Consumer Services	**$ 71,897,000**	**$ 53,115,000**	**$ 107,772,000**	**$ 79,137,000**
4. Community Placement Plan Funding	**$ 9,685,000**	**$ 6,966,000**	**$ 9,685,000**	**$ 6,966,000**
5. Rate Equity and Negotiated Rate Control	**$ 6,008,000**	**$ 3,432,000**	**$ 14,312,000**	**$ 9,568,000**
6. Annual Family Program Fee	**$ 3,600,000**	**$ 3,600,000**	**$ 7,200,000**	**$ 7,200,000**
7. Maintaining the Consumer's Home of Choice - Mixed Payment Rates in Residential Facilities with Alternative Residential Model (ARM) Rates	**$ 2,255,000**	**$ 1,364,000**	**$ 4,176,000**	**$ 2,526,000**
8. Maximize Utilization of Generic Resources - Education Services	**$ 13,696,000**	**$ 10,236,000**	**$ 18,188,000**	**$ 13,593,000**
9. Supported Living Services: Maximize Resources	**$ 9,948,000**	**$ 5,461,000**	**$ 19,896,000**	**$ 10,924,000**
10. Individual Choice Day Services	**$ 12,839,000**	**$ 9,629,000**	**$ 16,477,000**	**$ 12,358,000**
11. Maximizing Resources for Behavioral Services	**$ 4,893,000**	**$ 3,852,000**	**$ 4,893,000**	**$ 3,852,000**
12. Transfer Reduced Scope Prevention Program to the Family Resource Centers	**$ 7,500,000**	**$ 7,500,000**	**$ 10,000,000**	**$ 10,000,000**
13. Enhancing Community Integration and Participation - Development of Transportation Access Plans	**$ 1,473,000**	**$ 1,075,000**	**$ 2,945,000**	**$ 2,150,000**
Total Reductions	**$ 144,080,000**	**$ 145,536,000**	**$ 181,271,000**	**$ 174,024,000**

Details on the thirteen best practices proposals are as follows:

1. Increased Federal Funding for Regional Center Purchased Consumer Services.

   The DDS will pursue the workgroup suggestion to access new funding options through the Federal 1915 (k) Community Living Options, which becomes available to states in October 2011. The DDS will also expand receipt of federal funding through the Department's Home and Community-based Waiver, the 1915(i) SPA, and the Federal Money Follows the Person (MFP) Grant. Workgroup members also recommended consumers and families provide a copy of their Medi-Cal, Medicare, and insurance cards at the time of the IPP to ensure federal and other resources are maximized. Language will be necessary to require submittal of benefit cards.

   This proposal assumes more federal funding in the Department's budget by adding Voucher – Nursing Services to the Waiver, claiming federal money at an enhanced federal match for the first 12 months of services under the MFP Grant for consumers moving from intermediate care, nursing and sub-acute facilities to integrated community living arrangements, capturing an additional 6 percent of federal funding for 12 months under the 1915 (k) option for eligible consumer services (if such services are added to the State Medicaid Plan), receiving federal matching funds for the purchase of infant development programs for Early Start consumers with Medi-Cal and obtaining additional federal funding based on updated expenditures for the 1915 (i) SPA. Changes to the 1915 (k) and Early Start infant development programs will require approval from the federal government.

2. Decreasing Department of Developmental Services Headquarters Contracts.

   The Department contracts with a number of organizations to implement programs and projects that provide support, services, and technical assistance across all Regional Centers. In addition to 2011-12 statewide reduction to headquarters, the Department proposes to reduce six contracts and discontinue two non-mission critical projects, without requiring statutory changes, as follows:

   Information Technology: The Department's contract with the state-operated data center for support of data systems and data processing will be reduced from $4,517,000 to $3,972,000, consistent with a similar reduction made in the current year due to operational efficiencies. This proposal will save $545,000 GF.

   Clients' Rights Advocacy: The Department's contract with Disability Rights California to provide consultation, representation, training, investigation, and compliance with clients' rights. Funding will be held at the current year funding level of $5.295 million, for a savings of $250,000 ($200,000 GF).

Quality Assessment: The Department contracts with independent organizations to conduct surveys and analyses of consumers and family members about satisfaction with services and personal outcomes. This project will be reduced to $3.235 million. This proposal will save $530,000 ($424,000 GF).

Direct Support Professional Training (DSPT): The Department contracts with the California Department of Education to administer the DSPT training and testing through the Regional Occupational Programs. This contract will be reduced from $3.582 million to $3.442 million. This reduction will not affect the Department's ability to schedule DSPT trainings at Lanterman Developmental Center for staff that choose to work in the community. This proposal will save $140,000 ($85,000 GF).

Office of Administrative Hearings: The Department contracts with the Office of Administrative Hearings to conduct fair hearings required by the Lanterman Act and mediation and fair hearing services required by the California Early Intervention Services Act. The current year level of funding, $3.15 million, will be maintained without affecting the rights of consumers and families to the fair hearing and mediation processes. This proposal will save $250,000 ($200,000 GF).

Special Incident Reporting/Risk Management: In order to maintain and increase Federal Home and Community-Based Services Waiver funding, the Department contracts with an independent entity to conduct data analysis, training, site reviews, and provides data, training, and analytical services that mitigate and reduce special incidents. The Department will prioritize the work of this contractor such that federal concerns are addressed while achieving savings. This contract will be reduced from $940,000 to $840,000 and achieve savings of $100,000 GF.

Self-Directed Services - Training and Development: The Department will reprioritize existing resources to develop and conduct the anticipated training associated with the Self-Directed Services Waiver, if and when it is approved by the federal government (submitted in 2008). The proposal will save $200,000 GF.

3. <u>Reductions and Efficiency in Regional Center Operations Funding</u>. The workgroup participants called for reductions to regional center operations as a component of the Department's reduction proposals. This proposal achieves reductions through the implementation of provider electronic billing; the elimination of regional center staff position; funding for one-time costs associated with office relocations or modifications; and funding allocated to regional centers for accelerated enrollment of new Waiver participants. In addition, the proposal assumes an unallocated reduction to the operations budget. This proposal will be effective upon approval of the Legislature. Legislation will be needed to implement the electronic billing administrative efficiencies.

4. Community Placement Plan Funding. The law establishes a Community Placement Plan (CPP) process designed to assist regional centers in providing the necessary services and supports for individuals to move from developmental centers. Under the CPP process, each regional center develops and submits an annual CPP to the Department based on the needed resources, services, and supports for consumers moving from a developmental center, as well as the resources needed to prevent developmental center admission.

   As part of the planning process, regional centers must forecast the dates consumers will move into the community as well as when community resources will come on line. Consequently, the Department and each regional center are continuously harmonizing the amount of funds needed to implement the CPP. The Department has conducted an extensive analysis of the funds budgeted, allocated, and expended and has determined that CPP can be reduced by $10 million ($7.3 million GF) by funding CPP closer to the amount actually needed in the current and immediately prior FYs. Of this amount, $315,000 is reflected in the proposal to reduce regional center operations funding. This reduction will not impact the Department and regional center efforts to facilitate consumers moving from a developmental center.

5. Rate Equity and Negotiated Rate Control. The rate setting methodologies for services funded by regional centers are specified in law. These methodologies include: negotiations resulting in a rate that does not exceed the regional center's median rate for that service, or the statewide median, whichever is lower, and the provider's usual and customary rate (U&C), which means the rate they charge the members of the general public to whom they are providing services. A 4.25 percent payment reduction to regional center funded services went into effect July 1, 2010 (a 3 percent reduction was previously in effect commencing February 2009), but did not apply to service providers with a U&C rate. The intent of the U&C exemption was for businesses that serve the general public without specialty in services for persons with developmental disabilities.

   This proposal clarifies that the exemption to the 4.25 percent payment reductions does not apply to providers specializing in services to persons with developmental disabilities. This proposal also calls for the Department to update the calculation of the regional center and statewide median rates, established as part of the 2008-09 budget reductions, applicable to new vendors providing services for which rates are set through negotiation. The proposal only impacts providers who were not previously impacted by the 4.25 percent payment reduction and new providers of negotiated rate services.

6. Annual Family Program Fee. An annual family program fee in the amount of $150 or $200, depending on family income, will be assessed for families of consumers receiving services from the regional centers who meet the following criteria:

- The child is under age 18.
- The child lives at home.
- The child is not eligible for Medi-Cal.
- The family's income is at or above 400 percent of the Federal Poverty Level (FPL) based upon family size.
- The child or family receives services beyond eligibility determination, needs assessment, and case management.

Families of consumers who **only** receive respite, day care, and/or camping services are also excluded under the Annual Family Program Fee if assessed separately in the Family Cost Participation Program (FCPP). It is estimated that there will be 35,000 families eligible for the Annual Family Program Fee. There will be an exemption process outlined in statute for families with special circumstances. The annual family program fee will be assessed by regional centers at the time of the development of the IPP/IFSP, and annually thereafter. Legislation will be required for implementation and federal approval may be required for consumers in the Early Start Program.

7. Maintaining the Consumer's Home of Choice –Mixed Payment Rates in Residential Facilities with alternative Residential Model (ARM) Rates. Rather than a consumer having to leave their preferred residential living arrangement because their service and support needs have changed, this proposal allows for regional center payment of a lower rate that meets the needs of the individual while leaving intact the higher level of services and support for the other individuals residing in that home and the facility's ARM service level designation.

   Current regulations for ARM facilities (Title 17, Section 56902) allow regional centers to negotiate a level of payment for its consumers that is lower than the vendored rate established by the Department (ARM rate). However, the vendor must still provide the same level of service (i.e. staffing ratios and hours, and consultant services) for which they are vendored. This proposal would allow, pursuant to the consumer's IPP, and a contract between the regional center and residential provider, a lower payment rate for a consumer whose needs have changed but wants to maintain their residency in the home, without impacting the facility's ARM service level designation.

   This estimate assumes approximately 450 consumers residing in service level 4 ARM facilities that are determined through their IPP to no longer need the level of service provided by that facility through its assessed rate, but want to remain in their home. To resolve this, a lower level of payment (within the existing ARM rate structure) would be negotiated and established in contract. A change in the level of residential services would be done through the IPP process, and subsequently through a contract between the regional center and residential service provider.

8. Maximize Utilization of Generic Resources –Education Services. Publicly funded school services are available to regional center consumers until age 22. The Education Code lists services provided by the school system, including orientation and mobility services, school transition services, specialized driver training instruction, specifically designed vocational education and career development, and transportation. For consumers who remain eligible for services through the public school system, this proposal requires the regional centers to use the generic education resources in lieu of purchasing day program, work/employment, independent living, and associated transportation services on their behalf. Regional centers may encourage schools to use existing vendors to meet consumer needs.

9. Supported Living Services: Maximizing Resources. Supported Living Services (SLS) is a community living option that supports adult consumers who choose to live in homes they control through ownership, lease, or rental agreement. In supported living, a consumer pays for living expenses (e.g. rent, utilities, food, and entertainment) out of Social Security Income, work earnings or other personal resources. The regional center pays the vendor to provide the SLS.

   To maximize regional center funded services while maintaining the individualized nature of SLS, this proposal would, similar to what is done in IHSS, require regional centers to assess during IPP meetings whether there are tasks that can be shared by consumers who live with roommates. Secondly, to minimize the possibility of 'over' supporting a person, an independent needs assessment will be required for all consumers who have SLS costs that exceed the statewide or regional center mean, whichever is lower. The assessment would be completed by an entity other than the SLS agency providing service and be used during IPP meetings to determine the services provided are necessary and sufficient and that the most cost effective methods of service are utilized.

10. Individual Choice Day Services. To address the workgroups and community concern about the importance of consumers having alternative choices to traditional day programs in its development of the FY 2011-12 proposals, this proposal deals with the barriers expressed by providers in implementing the FY 2009-10 proposals.

   Tailored Day Program Service Option (TDS) is designed to meet the needs of consumers who choose a program focused on their individualized needs and interest to develop or maintain employment and/or volunteer activities. In this option, a consumer can choose to attend fewer program days or choose the hours of participation. The consumer can also choose how to participate in the program. Through the IPP process, the consumer, vendor, and regional center can create a program tailored to the consumer's needs. Once the type and amount of service desired by the consumer is determined, the regional center and vendor can negotiate the appropriate hourly or daily rate. Vendors will have service designs to meet the needs of the consumers. Staffing may be adjusted but must meet all health and safety requirements for the consumer and meet the consumer's tailored needs. The TDS is in lieu of any other day program service. TDS will replace the Senior and CEO Options currently in statute.

Vouchered Community-Based Training Service Option (VCTS) is designed for consumers and/or parents who choose to directly hire a support worker to develop functional skills to achieve community integration, employment or participation in volunteer activities. A Financial Management Services entity will be available to assist the consumer and/or parent in payroll activities. Consumers who choose this option will have up to 150 hours of services each quarter. The VCTS is in lieu of any other day program service.

Modified Full and Half-Day Program Attendance Billing ensures maximization of existing resources and addresses concerns of residential providers. The proposal would modify the current billing for day programs that bill a daily rate to be consistent with the Work Activity Program (WAP) full and half-day billing requirements. WAP billing requires a minimum of two hours attendance and provides for half-day billing. Currently, California regulations governing the provision of day programs are silent on what constitutes a full or half-day for billing purposes. Programs could shorten their service day to less than four hours and still receive payment for a full day. This proposal would ensure the consumer is receiving the level of services purchased. This requirement will not apply to TDS or VCTS services.

Implementation of the TDS and VCTS options will be individualized and phased in through the IPP process.

11. Maximizing Resources for Behavioral Services. Behavioral Services are services that provide instruction and environmental modifications to promote positive behaviors and reduce behaviors that interfere with learning and social interaction. These include designing, implementing and evaluating teaching methods, consultation with specialists, and behavioral interventions; and training for consumers and/or parents on the use of behavioral intervention techniques and home-based behavioral intervention programs. Department regulations establish the qualifications for the various professionals delivering these services.

    This proposal would require parents to verify receipt of Behavioral Services provided to their child –to reduce the unintended occurrence of incorrect billings. This proposal would also authorize the Department to promulgate emergency regulations to establish a new service to allow regional centers to contract with paraprofessionals, with certain educational or experiential qualifications and acting under professional supervision, to provide behavioral intervention services. Statutory changes will be required to implement the parental verification and development of regulations to add the paraprofessional services is necessary.

12. Transfer Reduced Scope Prevention Program to the Family Resource Centers. The Prevention Program was established on October 1, 2009 after changes in eligibility to achieve savings in the Early Start Program in the 2009-10 Budget. The Prevention Program provides services in the form of intake, assessment, case management, and referral to generic agencies for those infants and toddlers, 0 to 2 years of age, who are not eligible for Early Start services but who are at risk for developmental delay. In FY 2010-11, $18,150,000 of GF was allocated. The Prevention Program is currently budgeted at $12 million for FY 2011-12.

    This proposal would decrease the required functions of the Prevention Program to information, resource, outreach, and referral; transfer responsibility for these functions to Family Resource Centers (FRC); and reduce funding to $4.5 million in FY 2011-12 and $2 million in FY 2012-13. Since approximately 3,200 children remain in the Prevention Program, this proposal assumes $2.5 million for regional centers to complete services to the existing caseload and $2 million for FRCs to serve new referrals.

    Beginning July 1, 2012, the program would be completely transferred to the FRCs through a contract between the Department and the Family Resource Center Network of California, or a similar entity. Regional centers will continue to provide all infants and toddlers with intake, assessment, and evaluation for the Early Start Program. Infants and toddlers ineligible for the Early Start Program would be referred to the FRCs. Statutory changes are necessary.

13. Enhancing Community Integration and Participation –Development of Transportation Access Plans. Current law provides that regional centers will not fund private, specialized transportation services for an adult consumer who can safely access and utilize public transportation when that transportation modality is available and will purchase the least expensive transportation modality that meets a consumer's needs as set forth in the IPP/IFSP. To maximize consumer community integration and participation and to address barriers to the most integrated transportation services, a transportation access plan would be developed at the time of the IPP, for consumers for whom the regional center is purchasing specialized transportation services or vendored transportation services from the consumer's day, residential or other provider receiving regional center funding to transport the consumer to and from day programs, work and/or day activities.

    The plan would address the services needed to assist the consumer in developing skills to access the most inclusive transportation option that can meet the consumer's needs. In addition to the statutory provision above regarding the funding of private, specialized transportation services, the law specifies that the regional centers may now only fund transportation for a minor child living in the family residence if the family provides sufficient written documentation to demonstrate that it is unable to provide transportation for the child.

Staff Comment. This final proposal is due to the Legislature on May 15, 2011. The Department has held three forums –including the last one on May 9th to collect feedback from the community before they finalize their proposal and submit it to the Legislature. The Department and the eight Workgroups should be commended for lowering the impact to the community via purchase of service best practices –of the $174 million General Fund this proposal only reflects a $79.1 million to be achieved through purchase of service best practices.

The Department has a large task ahead and little time. They must finalize their proposal and complete the necessary trailer bill language to be considered by the Legislature before adoption. The Subcommittee should treat this proposal as preliminary and focus on the feedback from the community at this point in the process.

PANELISTS

- Department of Developmental Services – Please present your preliminary proposal, future considerations based on community feedback and discuss your process moving forward.

- Department of Finance

- Legislative Analyst's Office

- Public Comment